

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

9 3 - 1 9

2. STATE:

Kansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

Medicaid

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 1993

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.201

7. FEDERAL BUDGET IMPACT:

a. FFY 93 \$ 5,500,000b. FFY 94 \$ 16,500,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

See Attached

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

See Attached

10. SUBJECT OF AMENDMENT:

Nursing Facility Methods and Standards for Establishing Payment Rates

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:Donna L. Whiteman is the Governor's
Designee.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Donna L. Whiteman

14. TITLE:

Secretary

15. DATE SUBMITTED:

September , 1993

16. RETURN TO:

Donna L. Whiteman, Secretary
Kansas Department of Social and
Rehabilitation Services
Docking State Office Building
Sixth Floor
915 Harrison
Topeka, Kansas 66612

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

09/29/93

18. DATE APPROVED:

JUN 06 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

7/1/93

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid & State Operations

23. REMARKS:

Schulansky

Date: 7/28/93

10/29/93



mob

JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

**KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES**

DONNA WHITEMAN, SECRETARY

September 28, 1993

93 SEP 29 AM 10:00
HHS
HCFA-MEDICAID
REGION VII

Mr. Richard P. Brummel
Associate Regional Administrator
Division of Medicaid
Room 227, Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

Dear Mr. Brummel:

Enclosed is Kansas Medicaid State Plan amendment TN-MS-93-19, concerning the methods and standards for nursing facility reimbursement, Attachment 4.19D, Part I. The following sections are being amended:

Assurance Letter
MS 93-19

Long term care services in nursing facilities (NFs) and NFs-Mental Health (NFs-MH)

List of Contents

Part I, NFs and NFs-MH

Subpart A

Cost Finding and Cost Reporting

Exhibit A-18

The report forms for requesting reimbursement for 24 hour nursing are being added to the exhibit.

Exhibit C-1

Narrative Explanation of Nursing Facility Reimbursement Formula

Exhibit C-2

Inflation and Cost Center Limitation Tables, Pages 1-9

Exhibit C-3

Compilation of Cost Center Limitations, Pages 1-3

Exhibit C-4

Rate Notification Letter

Exhibit C-5,

Provider Payment Schedule A-1, Pages 1-3

Subpart E

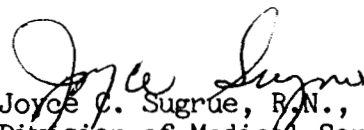
Out of State Facilities Deleted and Subpart Reserved for Future Use

Mr. Richard P. Brummel
September 28, 1993
Page Two

Subpart G	Consequences of Late Filing of Cost Reports Deleted and Subpart Reserved for Future Use
Subpart I	Cost Report Form Filing Extensions Deleted and Subpart Reserved for Future Use
Subpart J	Projection Status Deleted and Subpart Reserved for Future Use
Subpart K	Reimbursement for 24 Hour Nursing Care Deleted and Subpart Reserved for Future Use.
Subpart L	Real and Personal Property Fee Rebasings: Corrected typing error.
Subpart O	Rate Effective Dates Deleted and Subpart Reserved for Future Use
Subpart Q	OBRA 1987 Deleted and Subpart Reserved for Future Use
Subpart R	Appeal Procedures, Exhibit R-2 Updated (Pages 2-4 & 16-19)
Subpart S	Minimum Wage Per Diem Pass Through Deleted and Subpart Reserved for Future Use

The subparts being deleted and reserved for future use are either a duplication in Exhibit A-1 through 18, or are no longer applicable (i.e. OBRA 87 and minimum wage pass throughs). Any questions regarding this Plan submission should be directed to Tina Hayes or Bill McDaniel at (913) 296-3981.

Sincerely,


Joyce C. Sugrue, R.N., Director
Division of Medical Services

JCS:TAH:pm

Attachment

cc: Steve Otto



JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

**KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES**

DONNA WHITEMAN, SECRETARY

September 28, 1993

Mr. Richard P. Brummel
Associate Regional Administrator for the
Division of Medicaid
Room 227, Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

Dear Mr. Brummel:

In Accordance with 42 CFR 447.253, the Kansas Department of Social and Rehabilitation Services submits the following assurances related to Kansas Medicaid payment for long term care services in nursing facilities (NFs) and NFs/Mental Health (NFs-MH). The requirements set forth in paragraphs (b) through (i) of this section are being met. The related information required by section 447.255 of this subpart is furnished herewith and the agency complies with all other requirements.

42 CFR 447.253(b) Findings

The State of Kansas, through this agency does make findings to ensure that the rates used to reimburse providers satisfy the requirements of paragraph 447.253(b).

42 CFR 447.253(b)(1)(i) Payment Rates

The State of Kansas continues to pay nursing facilities (NFs) and NFs-Mental Health (NFs-MH) for long term care services in accordance with a state plan formula established through consultation with representatives of the corresponding provider groups. The rates are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

42 CFR 447.253(b)(1)(iii) Payment Rates

With respect to NF and NF-MH services, the State of Kansas assures that:

(A) Except for preadmission screening for individuals with mental illness and mental retardation under 42 CFR 483.20(f), the methods and standards used to

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

Refers to MS-93-19.

Mr. Richard P. Brummel
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determine payment rates take into account the cost of complying with Part 483, Subpart B of Chapter IV;

(B) The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in 42 CFR 483.30(c) of Chapter IV to provide licensed nurses on a 24-hour basis;

(C) The State of Kansas establishes procedures under which the data and methodology used in establishing payment rates are made available to the public.

42 CFR 447.253(b)(2) Upper Payment Limits

The State of Kansas assures that the estimated average proposed Medicaid payment is reasonably expected to pay no more in the aggregate for NF and NF-MH services than the amount the agency reasonably estimates would be paid under the Medicare principles of reimbursement. There are no state operated NFs or NFs-MH so 447.272(b) does not apply.

42 CFR 447.253(d) Changes in Ownership of NFs and ICFs-MR

The State of Kansas assures that its NFs and NFs-MH payment methodology is not reasonably expected to result in an increase in aggregate payments based solely as the result of a change in ownership in excess of the increase that would result from application of 447.253(d)(1) and (2).

42 CFR 447.253(e) Provider Appeals

The State of Kansas, in accordance with federal regulations and with the Kansas Administrative Regulations, provides a fair hearing, appeal or exception procedure that allows for an administrative review and appeal by the provider as to their payment rates.

42 CFR 447.253(f) Uniform Cost Reporting

Nursing facilities and NFs-MH providers are required to file annual uniform cost reports in accordance with Kansas Administrative Regulations and Attachment 4.19D, Part I, Methods and Standards for Establishing Payment Rates.

42 CFR 447.253(g) Audit Requirements

The State of Kansas performs a desk review on all cost reports within six months of receipt and provides for periodic field audits of the financial and statistical records of the participating providers.

Refers to MS-93-19.

Mr. Richard P. Brummel
September 28, 1993
Page Three

42 CFR 447.253(h) Public Notice:

In accordance with 42 CFR 447.205, public notice is given when significant changes are proposed to the methods and standards for setting NF and NF/MH payment rates.

42 CFR 447.253(i) Rates Paid

The State of Kansas assures that payment rates are determined in accordance with methods and standards specified in an approved State Plan.

42 CFR 447.255 Related Information

Estimated Average NF/NF-MH Rate: 07/01/93	\$56.14
Estimated Average NF/NF-MH Rate: 05/10/93	\$52.08
Per Diem Increase	\$ 4.06
Average Percent Increase	7.8%

Both the short-term and long-term effect of these changes are estimated to:

1. Maintain the availability of services on a statewide and geographic area basis.

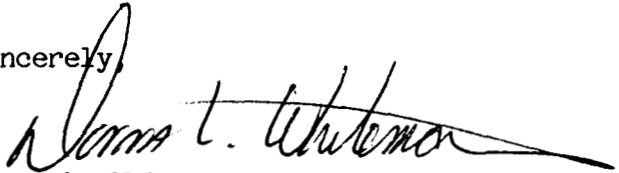
There are approximately 405 licensed NFs or NFs-MH in the State of Kansas with at least one in every county. Of these, 398, or 98%, are certified to participate in the Medicaid program. There are 24 licensed NFs-MH in the State of Kansas and all of them participate in the Medicaid program. Beds are available in every area of the State and close coordination with the local and area SRS offices allows the agency to keep close track of vacancies;

2. Maintain the type of care furnished; and
3. Maintain the extent of provider participation.

The extent of provider participation should not be affected by this change. Ninety-five percent of the available providers are already participating in the program.

Any questions regarding this Plan submission should be directed to Tina Hayes or Bill McDaniel at (913) 296-3981.

Sincerely,


Donna L. Whiteman
Secretary

DLW:RLE:TAH:pm

Refers to MS-93-19.

KANSAS MEDICAID STATE PLAN

Form HCFA-179
State Plan TN-MS-93-19
Attachment 4.19D, Part I
Nursing Facility

Number of the Plan Section:
ATTACHMENT 4.19D, PART I
Assurance Letter Dated
September , 1993

List of Contents, Pages 1 & 2

Subpart A

Subpart A, Exhibit A-18, Pages 4-6

Subpart C, Exhibit C-1, Pages 1-14

Subpart C, Exhibit C-2, Pages 1-9

Subpart C, Exhibit C-3, Pages 1-3

Subpart C, Exhibit C-4, Page 1

Subpart C, Exhibit C-5, Pages 1-3

Subpart E (Reserved)

Subpart G (Reserved)

Subpart I (Reserved)

Subpart J (Reserved)

Subpart K (Reserved)

Subpart L

Subpart O (Reserved)

Subpart Q (Reserved)

Subpart R, Exhibit R-2, Pages 2-4 & 16-19

Subpart S (Reserved)

Number of Superseded Plan Section:

Assurance Letters Dated
June 28, 1993 (TN-MS-93-17)

List of Contents, Pages 1 & 2,
TN-MS-92-32

Subpart A, TN-MS-91-42

Nothing

Subpart C, Exhibit C-1, Pages 1-17,
TN-MS-93-17

Subpart C, Exhibit C-2, Pages 1-6,
TN-MS-93-17, and Pages 7-9,
TN-MS-92-22

Subpart C, Exhibit C-3, Page 1,
TN-MS-93-17, and Pages 2 and 3,
TN-MS-92-22

Subpart C, Exhibit C-4, Page 1,
TN-MS-92-22

Subpart C, Exhibit C-5, Pages 1-3,
TN-MS-93-17

Subpart E, TN-MS-91-42

Subpart G, TN-MS-91-42

Subpart I, TN-MS-92-22

Subpart J, TN-MS-91-42

Subpart K, Pages 1 & 2, TN-MS-92-22
and Pages 3-5, TN-MS-91-42

Subpart L, TN-MS-92-32

Subpart O, Pages 1 & 2, TN-MS-91-42

Subpart Q, Pages 1-3, TN-MS-91-42

Subpart R, Exhibit R-2, Pages 2-4 &
16-19, TN-MS-91-42

Subpart S, Pages 1-7, TN-MS-91-42

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part I
List of Contents
Page 1

Methods and Standards for Establishing Payment Rates
--Skilled Nursing and Intermediate Care Facility
(Nursing Facilities and Nursing
Facilities for Mental Health

List of Contents

Part I

Subpart A	Cost Finding and Cost Reporting
Exhibit A	Kansas Administrative Regulations:
Exhibit A-1	30-10-1a Definitions
Exhibit A-2	30-10-14 Prospective Reimbursement
Exhibit A-3	30-10-15a Reimbursement. Payment for Services
Exhibit A-4	30-10-15b Financial Data
Exhibit A-5	30-10-17 Cost Reports
Exhibit A-6	30-10-18 Rates of Reimbursement
Exhibit A-7	30-10-19 Rates, Effective Dates
Exhibit A-8	30-10-20 Payment of Claims
Exhibit A-9	30-10-21 Reserve Days
Exhibit A-10	30-10-23a Non-Reimbursable Claims
Exhibit A-11	30-10-23b Costs Allowed With Limitations
Exhibit A-12	30-10-23c Revenues
Exhibit A-13	30-10-24 Compensation of Owners, Related Parties and Administrators
Exhibit A-14	30-10-25 Real and Personal Property Fee
Exhibit A-15	30-10-26 Interest Expense
Exhibit A-16	30-10-27 Central Office Costs
Exhibit A-17	30-10-28 Resident Days
Exhibit A-18	30-10-29 Reimbursement for 24-hour Nursing Care
Subpart B	Audits
Subpart C	Payment Rate Methodology
Exhibit C-1	Narrative Description of Payment Methodology
Exhibit C-2	Limitation and Inflation Tables
Exhibit C-3	Summaries of Computer Arrays for Cost Center Limitations
Exhibit C-4	Rate Modification Letter
Exhibit C-5	Rate Computation Printouts
Exhibit C-6	Kansas Statutes Annotated

TN#MS-93-19 Approval Date JUN 06 2001 Effective Date 7/1/93 Supersedes TN#MS-92-32

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part I
List of Contents
Page 2

Methods and Standards for Establishing Payment Rates
--Skilled Nursing and Intermediate Care Facility
(Nursing Facilities and Nursing
Facilities for Mental Health

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Subpart D	Levels of Care
Subpart E	Reserved for future use
Subpart F	Upper Limits of Reimbursement
Subpart G	Reserved for future use
Subpart H	Recapture of Depreciation
Subpart I	Reserved for future use
Subpart J	Reserved for future use
Subpart K	Reserved for future use
Subpart L	Real and Personal Property Fee Rebasing
Subpart M	Usual and Customary Charges
Subpart N	Reserved for future use
Subpart O	Reserved for future use
Subpart P	Reserved for future use
Subpart Q	Reserved for future use
Subpart R	Appeal Procedures
Exhibit R-1	Kansas Statutes Annotated
Exhibit R-2	Kansas Administrative Regulations
Subpart S	Reserved for future use

TN#MS-93-19 Approval Date JUN 06 2001 Effective Date 7/1/93 Supersedes TN#MS-92-32

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part I
Subpart A

Methods and Standards for Establishing Payment Rates-
Skilled Nursing Facility and Intermediate Care Facility Rates
(NFs and NFs/MH)

Cost Finding and Cost Reporting

The Medicaid agency makes findings in accordance with Part 42 Code of Federal Regulations 447.253 and 447.255 when changes are made in the methods and standards for establishing payment rates, but not less than annually. The cost reporting requirements are included in the Kansas Administrative Regulation 30-10 series. The applicable regulations are in Attachment 4.19-D, Subpart I, Exhibit A. Cost reporting is also addressed in Attachment 4.19-D, Subpart I, Exhibit C-1, Narrative Explanation of Nursing Facility Reimbursement Formula.

JUN 06 2001

TN#MS-93-19 Approval Date _____ Effective Date 7/1/93 Supersedes TN#MS-91-42

ADULT CARE HOME PROGRAM
GENERAL SERVICES COMMISSION
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
CONFIRMATION OF 24 HOUR NURSING
AND STAFFING REPORT

I. FACILITY INFORMATION

Provider Number _____

Name _____

Address _____
Street City County Zip Code

II. EFFECTIVE DATE of having met the additional shift(s) of 24 hour nursing: _____

III. What additional staff have been hired and what is their professional classification, their names, hours worked per day and their shift?

IV. What is the additional annualized cost of the new staff member(s)? Attach documentation of expenditures. (i.e. payroll registers reflecting the registered nurse or licensed practical nurses hired).

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List the registered nurse(s) or licensed practical nurses (place an X in the applicable space and indicate the actual hours worked during the week). Continue on an attached sheet if necessary.

*Actual Hours Worked

For the first week beginning _____ and ending _____, 19__:

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ACH 1024

-3-

For the most current week beginning _____ and ending _____, 19__:

<u>Shift</u>		<u>M</u>	<u>T</u>	<u>W</u>	<u>T</u>	<u>F</u>	<u>S</u>	<u>S</u>	<u>Total</u>	<u>For Office Use</u>
Day	RNs	_____	_____	_____	_____	_____	_____	_____	_____	_____
	LPNs	_____	_____	_____	_____	_____	_____	_____	_____	_____
Evening	RNs	_____	_____	_____	_____	_____	_____	_____	_____	_____
	LPNs	_____	_____	_____	_____	_____	_____	_____	_____	_____
Night	RNs	_____	_____	_____	_____	_____	_____	_____	_____	_____
	LPNs	_____	_____	_____	_____	_____	_____	_____	_____	_____

I certify that this information is correct and that the staffing information can be verified by payroll records.

Signature of Administrator License Number Date

Signature of Preparer (if different) Title Date

Return Form To: Kansas Department of SRS
Medical Services Commission
Nursing Facility Reimbursement Program
6th Floor - West, Docking State Office Building
Topeka, Kansas 66612

TN#MS-93-19 Approval Date JUN 06 2001 Effective Date 7/1/93 Supersedes TN# Nothing

KANSAS MEDICAID STATE PLAN

Attachment 4.19D
Part I
Subpart C
Exhibit C-1
Page 1

Methods and Standards for Establishing Payment Rates Skilled Nursing and Intermediate Care Facility Rates (NF's and NF's-MH)

Narrative Explanation of Nursing Facility Reimbursement Formula

The narrative explanation of the nursing facility reimbursement formula is divided into seven sections. The sections are Nursing Facility Rate Determination, Cost Reports, Reimbursement Limitations, Real and Personal Property Fee, Incentive Factor, Inflation Factors and Rate Effective Date and Period.

NURSING FACILITY RATE DETERMINATION

Medicaid rates for Kansas Nursing Facilities are determined using a prospective, facility-specific rate setting system. The rate is based on the costs from the latest cost report submitted by the provider. The rate is determined for current and future payment periods and is subject to upper payment limits established by the agency for the limitation period. Computer software has been developed and is used for calculating the facility specific payment rates.

Retroactive adjustments, as in a retrospective system, are made for the following conditions. One, a retroactive rate adjustment and direct cash settlement is made when an audit, by the agency, determines that the historic cost report data used to determine the prospective payment rate is in error. The prospective payment rate period is adjusted for the audit corrections. Two, when a projected cost report is approved to determine an interim rate, a settlement is made after a historic cost report is filed for the same period. Three, when a new provider, through an arms-length transaction, is reimbursed the rate of the prior provider and files a historic cost report for the first 12 months of operation, a settlement is made based on the difference between the interim rate and the rate from the historic cost report. All settlements are subject to upper payment limits. A provider is considered to be in "projection status" when they are operating on a projected rate or the rate of the old provider and they are subject to the retroactive rate adjustment.

JUN 06 2001
TN#MS-93-19 Approval Date _____ Effective Date 7/1/93 Supersedes TN#MS-93-17

KANSAS MEDICAID STATE PLAN

Attachment 4.19D
Part I
Subpart C
Exhibit C-1
Page 2

Methods and Standards for Establishing Payment Rates Skilled Nursing and Intermediate Care Facility Rates (NF's and NF's-MH)

Narrative Explanation of Nursing Facility Reimbursement Formula

The allowable historic per diem cost is divided into four cost centers in the Nursing Facility Financial and Statistical Report (MS 2004). These cost centers are Administration, Plant Operating, Room and Board and Health Care. An owner/administrator limitation is applied in determining the allowable cost. This limitation will be explained in detail in another section of this exhibit. The allowable historic per diem cost is determined by dividing the allowable resident related expenses in each cost center by the greater of actual resident days or 85% of the total days during the cost report period. The total days are based on the number of licensed beds of the nursing facility, multiplied by the number of days in the cost report period. The 85% minimum occupancy rule does not apply to providers receiving a rate from a projected cost report or from the first historic cost report filed.

The allowable historic per diem cost is adjusted by the historic and estimated inflation factors. These inflation factors will be explained in greater detail in another section. The inflated allowable historic per diem cost for each cost center is then compared to the cost center per diem limitation.

The allowable per diem rate is the lesser of the inflated allowable historic per diem cost in each cost center or the cost center per diem limitation. Each cost center has a separate limitation. If each cost center limitation is exceeded, the allowable per diem rate is the sum of the four cost center limitations.

There are add-ons to the allowable per diem rate. The add-ons consist of the incentive factor, the real and personal property fee, and the 24 hour nursing factor. The incentive factor and real and personal property fee are explained in separate sections of this exhibit. The 24 hour nursing factor is explained in Attachment 4.19D, Part I, Exhibit A-18. The add-ons plus the allowable per diem rate equal the total per diem rate.

TN#MS-93-19 Approval Date JUN 19 2001 Effective Date 7/1/03 Supersedes TN#MS-93-17